

# CPAD Lease Committee Recommendation

June 24th, 2024

## Hangar Lease Recommendation

Per the recommendation of the Ad Hoc Hangar Lease Committee 2 years ago, the current CPAD owned hangar rates will increase in base rates comparable to the Consumer Price Index for the previous 12-month period. The following is the recommendation to the CPAD Board of Directors.

Effective July 1st, 2024, the “base rate” hangar lease will change to a new pricing schedule.

1. The rates are set on a consistent price per square foot across all hangars.
2. The rates will update every fiscal year (July-June) based on the published April Consumer Price Index (CPI) for inflation over the previous 12 month period. **April 2024= 3.4%**
3. Tie-Down and Transient parking will have no change.

### Current Pricing and FY 2023-2024 “Base Rates”

Hangar	Sq Ft.	Current Rent	End Lease Date	FY 2024-2025 “Base Rate”	2024-2025 \$ Per Sq Ft
H1	968	\$503	6/30/23	\$523	\$ .54
H2	1353	\$704	6/30/23	\$731	\$ .54
H3	1353	\$704	6/30/23	\$731	\$ .54
H4	968	\$503	6/30/23	\$523	\$ .54
H5	1434	\$746	6/30/23	\$774	\$ .54
H6	1476	\$768	6/30/23	\$797	\$ .54
H7	1476	\$768	6/30/23	\$797	\$ .54

In certain situations, “Base Rates” can be adjusted to a lower “Net Payment” by the Airport Manager or CPAD Board of Directors to accommodate services provided by the lessee such as equipment storage, IT Services or other considerations. Accommodations up to \$50 can be made by the Airport Manager without CPAD Board Approval, but reason for accommodation must be documented and retained with the lease.

### Annual Base Rate Adjustment Process for Airport Manager

1. On approximately April 15 of each year, log onto Bureau of Labor Statistics <https://www.bls.gov/charts/consumer-price-index> or other such verified site to obtain the Consumer Price Index (Inflation rate) across all categories for the previous 12 months.
2. Adjust last years “Base Rate” for all hangars to determine the new “Base Rate” for the upcoming fiscal year (Starting July 1)
3. Mail a letter **no later than June 30** notifying each tenant of the change in rent that will go into effect July 1 and that they must **renew their lease prior to July 31st. Failure to renew lease by July 31 will result in an automatic 30 day notice of lease termination and subsequent loss of the hangar.**
4. Airport Manager will update hangar lease to incorporate these changes.

### Approximate Change in CPAD Income From Rental Increases

Hangar	Sq Ft.	Current Rent	End Lease Date	FY 2024-2025 "Base Rate"	Change in Monthly Income
H1	968	\$503	6/30/23	\$523	\$20
H2	1353	\$704	6/30/23	\$731	\$27
H3	1353	\$704	6/30/23	\$731	\$27
H4	968	\$503	6/30/23	\$523	\$20
H5	1434	\$746	6/30/23	\$774	\$28
H6	1476	\$768	6/30/23	\$797	\$29
H7	1476	\$768	6/30/23	\$797	\$29
<b>Monthly Gain</b>					\$180
<b>Annual Gain</b>					\$2160

\*Hangar 4a and 8 are under a lease at current rate until the end of 2026.